ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

C

WS-02672A Cloud Nine Water Company Inc.- Sewer Division 96 Bel Air Place, Ste. 140 Sierra Vista AZ 85635

ANNUAL REPORT

APR 0 1 2005

AZ Corporation Commission Director Of Utilities FOR YEAR ENDING

12 31 2004

FOR COMMISSION USE

ANN05 04

COMPANY INFORMATION

Commany Name (Duriness Name)	Cloud Nine Water Company In	c (Sewer)
Company Name (Business Name)	Cloud Kine water company, in	C. (DONOL)
Mailing Address 96 Bel aire Pla	ice, Ste. 140	
(Street)	AZ	85635
Sierra Vista (City)	(State)	(Zip)
520-458-1311	520-458 - 4532	N/A
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address N/A	2.1.1.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2	
Local Office Mailing Address 96 1	Sel Aire Place, Ste. 140	
Sierra Vista	(Street) AZ	85635
(City)	(State)	(Zip)
520458-1311	520-458-4532	N/A
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address N/A		

MANAGEMENT INFORMATION

Management Contact: <u>Ursula Gu</u>		Vice-President (Title)	
	(Name)	(1	nic)
96 Bel Aire Place, Ste. 140	Sierra Vista	AZ	85635
(Street)	(City)	(State)	(Zip)
520-458-1311	520-458-4532	N/A	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (I	nclude Area Code)
Email Address N/A			
On Site Manager: Ursula Guttry			
On Site Manager: Ursula Guttry	(Name)		
On Site Manager: Ursula Guttry 96 Bel Aire Place, Ste. 140		AZ	85635
	(Name)	AZ (State)	85635 (Zip)
96 Bel Aire Place, Ste. 140	(Name) Sierra Vista		
96 Bel Aire Place, Ste. 140 (Street)	(Name) Sierra Vista (City)	(State)	(Zip)

[[]X] Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Eugene C. Gei	seler		
Statutory Agent.	(Name)		
3040 E. Sunrise Dr., Ste. 200	Tucson	AZ	85718
(Street)	(City)	(State)	(Zip)
520-792-1181	520-792-2859		/A
Telephone No. (Include Area Code)	Fax No. (Include Area Code Pager/Cell No. (Include Area Co		(Include Area Code)
Attorney: Eugene C. Geiseler			
name of the state	(Name)		
3040 E. Sunrise Dr., Ste. 200	Tucson	AZ	85718
(Street)	(City)	(State)	(Žip)
520-792-1181	520-792-2859		/A.
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No.	(Include Area Code)
Please mark this box if the above add OWN Check the following box that applies to you	NERSHIP INFORMATIO		-
Check the following box that applies to yo	our company:		
Sole Proprietor (S)	C Corporation (C	C) (Other than As	ssociation/Co-op)
Partnership (P)	X Subchapter S Co	rporation (Z)	
Bankruptcy (B)	Association/Co-o	p (A)	
Receivership (R)	Limited Liability	Company	
Other (Describe)			
	COUNTIES SERVED		
Check the box below for the county/ies in	which you are certificated to pr	rovide service:	
□ АРАСНЕ	X COCHISE	□ coe	CONINO
☐ GILA	☐ GRAHAM	☐ GRI	EENLEE
☐ LA PAZ	☐ MARICOPA	□ мо	HAVE
☐ NAVAJO	☐ PIMA	☐ PIN	AL
SANTA CRUZ	☐ YAVAPAI	☐ YU	MA
☐ STATEWIDE			

UTILITY PLANT IN SERVICE

Acct.		Original	Accumulated	
No.	DECRIPTION	Cost	Depreciation	O.C.L.D.
		(OC)	(AD)	(OC less AD)
351	Organization			
352	Franchises			
353	Land and Land Rights			
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			•
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
,	TOTALS	0	0	0

This amount goes on the Balance Sheet Acct. No. 108 —

CALCULATION OF DEPRECIATION EXPENSE

Acct.		Original	Depreciation	Depreciation
No.	DESCRIPTION	Cost (1)	Percentage (2)	Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights			
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers - Force			
361	Collection Sewers – Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	0	0	0

This amount goes on the Comparative Statement of Income and Expense Acct. 403

BALANCE SHEET

Acct		BALANCE AT BEGINNING OF	BALANCE AT END OF
No.	ASSETS	TEST YEAR	YEAR
	CURRENT AND ACCRUED ASSETS		do .
131	Cash	\$	\$
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS		
		\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$ 0	S 0

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
No.	LIADILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFENDED CREDITS		
0.70	DEFERRED CREDITS	\$	\$
252	Advances in Aid of Construction	D	J
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	Φ.	.
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Other Paid in Capital		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
210	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$ 0	\$ 0

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
No.			
521	Flat Rate Revenues	\$	\$
522	Measured Revenues		
536	Other Wastewater Revenues		
	TOTAL REVENUES	\$ 13,151.30	\$ 5,005.07
	OPERATING EXPENSES		
701		\$	\$
701	Salaries and Wages Purchased Wastewater Treatment	J	Ψ
710			
711	Sludge Removal Expense		
715	Purchased Power	,	
716	Fuel for Power Production		
718	Chemicals	<u> </u>	
720	Materials and Supplies		
731	Contractual Services – Professional		
735	Contractual Services – Testing		
736	Contractual Services – Other		
740	Rents		
750	Transportation Expense		
755	Insurance Expense		
765	Regulatory Commission Expense		
775	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$	\$
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	Ψ	
421		20 (00 (1	26 000 14
420	Payments to City of Sierra Vista Interest Expense	28,698.61	26,989.14
42/		\$	\$
	TOTAL OTHER INCOME/EXPENSE	Ψ	Ψ
-	NET INCOME/(LOSS)	\$ (15,547.31)	\$ (21,984.07)

SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	9,	6	%	% %
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT	
(Extended Aeration, Step Aeration, Oxidation	/ -
Ditch, Aerobic Lagoon, Anaerobic Lagoon,	N/A
Trickling Filter, Septic Tank, Wetland, Etc.)	
DESIGN CAPACITY OF PLANT	
(Gallons Per Day)	N/A

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
N/A				

FORCE MAINS

Size	Material	Length (Feet
4-inch	N/A.	
6-inch	N/A	·
6-inch	N/A	

MANHOLES

Type	Quantity	
Standard	N/A	
Drop	N/A	

CLEANOUTS

Quantity	
N/A	1

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

SERVICES

Size (in inches)	Material	Length (in feet)
4	N/A	
6	N/A	
8	N/A	
10	N/A	
12	N/A	
15	N/A	
18	N/A	
21	N/A	
24	N/A	
30	N/A	
	N/A	

Size (in inches)	Material	Quantity
4	N/A	
6	N/A	
8	N/A	
12	N/A	
15	N/A	
	and the same of th	
	· · · · · · · · · · · · · · · · · · ·	

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

SOLIDS PROCESSING AND HANDLING FACILITIES	N/A	
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	N/A	
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	N/A	
STRUCTURES (Buildings, Fences, Etc.)	N/A	
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.	N/A	

WASTEWATER FLOWS

NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
	l .	

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	N/A
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	N/A
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit Number	N/A
ADEQ Reuse Permit Number	N/A
EPA NPDES Permit Number	N/A

STATISTICAL INFORMATION

Total number of customers 250	
Total number of gallons treated N/A	gallons

COMPANY NAME Cloud Nine Water Company, Inc. (Sewer) YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following	g:
Federal Taxable Income Reported	N/A
Estimated or Actual Federal Tax Liability	N/A
State Taxable Income Reported	N/A
Estimated or Actual State Tax Liability	N/A
Amount of Grossed-Up Contributions/Advance	es:
Amount of Contributions/Advances	N/A
Amount of Gross-Up Tax Collected	N/A
Total Grossed-Up Contributions/Advances	N/A
the amount of refund due to each Payer, and to to the Payer. CERTIFICATION	he date the Utility expects to make or has made the refund
in the prior year's annual report. This certifi	ty has refunded to Payers all gross-up tax refunds reported ication is to be signed by the President or Chief Executive ral partner, if a partnership; the managing member, if a r, if a sole proprietorship.
SIGNATURE JULTZY	<u> Hanch 30, 2005</u> DATE
Ursula Guttry PDINTED NAME	Vice-President

COMPANY NAME Cloud Nine W	Water Company, Inc. (Sewer) YEAR ENDING 12/31/2004		
	PROPERTY TAXES		
	Amount of actual property taxes paid during Calendar Year 2004 was: \$0		
Attach to this annual report proof (e.g. property tax payments) of any and all pro	roperty tax bills stamped "paid in full" or copies of cancelled checks for operty taxes paid during the calendar year.		
If no property taxes paid, explain why	Collect sewer fees and remit to City of Sierra Vista only.		
	1:		

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

RECEIVED

APR 0 1 2005

VERIFICATION		AZ Corporati	on Commission
	COUNTY OF (COUNTY NAME)	Director	Of Utilities
STATE OF Arizona	Cochise		- *************************************
	name (owner or official) title		
I, THE UNDERSIGNED	Ursula Guttry, Vice-President		
OF THE	Cloud Nine Water Company, Inc. (Sew	er)	i

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

 MONTH
 DAY
 YEAR

 12
 31
 2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE</u> UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intra	astate	Gross Operating Revenues Only (\$)
	\$	5,005.07

(THE AMOUNT IN BOX ABOVE INCLUDES \$_0 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SIGNATURE OF OWNER OR OFFICIAL

520-458-1341

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COCHISE

THIS

30TH DAY OF

MONTH MARCH

20<u>0</u>**5** FC

(SEAL)

No.ary Public State of Anyo COCHISE COLD (CV)

^{//POINIA} ÉRICKSO

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE

RECEIVED

APR 0 1 2005

AZ Corporation Commission **Director Of Utilities**

VER	IFIC	ATI	N
V 1. 1.	11.11		\mathbf{v}_{\perp}

INTRASTATE REVENUES ONLY

STATE OF Arizona	COUNTY OF (COUNTY NAME) Cochise	
I, THE UNDERSIGNED	NAME (OWNER OR OFFICIAL) UTSUTA GULLTY	Vice-President
OF THE	Company Name Cloud Nine Water Company, Inc.	(Sewer)
	A V. KYONYK YORKI TATERATAN ORA ORIGINA A TAYOLANI	· copportation coloration

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

DAY YEAR MONTH 12 31 2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS **CALENDAR YEAR 2004 WAS:**

(THE AMOUNT IN BOX AT LEFT

ARIZONA INTRASTATE GROSS OPERATING REVENUES	INCLUD			
\$_5,005.07	IN SALES	S TAXES BILLED, OR C	OLLECTED	
*RESIDENTIAL REVENUE REPORTED ON T MUST INCLUDE SALES TAXES BILLED.	HIS PAGE X	SIGNATURE OF OWNER OR OFFICE 520–458–1311 TELEPHONE NUMBER	Int.	
SUBSCRIBED AND SWORN TO BI	EFORE ME	NOTARY PUBLIC NAME VIRGIA	IA BRICKSON	
A NOTARY PUBLIC IN AND FOR THE COUNTY OF		COUNTY NAME		
THIS 30TH	DAY OF	MONTH MARCH	.20_95	

OFFICIAL SEAL VIRGINIA ERICKSON Notary Public - State of Arizona COCHISE COUNTY

MY COMMISSION EXPIRES

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. <u>ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.</u>

None